IN THE HIGH COURT OF JUDICATURE, ANDHRA PRADESH
AT HYDERABAD

(Special Original Jurisdiction)
FRIDAY, THE SEVENTEENTH DAY OF DECEMBER
TWO THOUSAND AND FOUR

PRESENT

THE HON'BLE MR JUSTICE GODA RAGHURAM

WRIT PETITION No: 20037 of 2004

Between:

1 M.V. Rami Reddy, S/o. Venkata Subba Reddy,
R/o. Kondepalli Village, Markapur Mandal, Prakasam District.
2 D. Poli Reddy, S/o. Seshu Reddy,
R/o. Kondepalli Village, Markapur Mandal, Prakasam District.
3 M. Poli Reddy, S/o.Rami Reddy,
R/o. Kondepalli Village, Markapur Mandal, Prakasam District.
4 M. Subba Reddy, S/o. Ramaiah
R/o. Kondepalli Village, Markapur Mandal, Prakasam District.
5 G. Rami Reddy, S/o. Achi Reddy,
R/o. Kondepalli Village, Markapur Mandal, Prakasam District.
6 D. Alluramma, W/o Poli Reddy,
R/o. Kondepalli Village, Markapur Mandal, Prakasam District.
7 D. Rami Reddy, S/o. Nagaiah,
R/o. Kondepalli Village, Markapur Mandal, Prakasam District.
8 K. Venkata Reddy, S/o. Nagi Reddy,
R/o. Kondepalli Village, Markapur Mandal, Prakasam District.
9 K. Musalaiah, S/o. Mallaiah,
R/o. Kondepalli Village, Markapur Mandal, Prakasam District.
10 K. Kasi Reddy, S/o. Mallaiah,45
R/o. Kondepalli Village, Markapur Mandal, Prakasam District.
11 G. chinna Poli Reddy, S/o. China Nagaiah,
R/o. Kondepalli Village, Markapur Mandal, Prakasam District.

12 K. Palanki Reddy, S/o. Alluraiah,
R/o. Kondepalli Village, Markapur Mandal, Prakasam District.
13 D. China Venkata Reddy, S/o. Narsaiah,
R/o. Kondepalli Village, Markapur Mandal, Prakasam District.
14 D. Pedda Venkata Reddy, S/o. Nasaraiah,
R/o. Kondepalli Village, Markapur Mandal, Prakasam District.
15 D. Raji Reddy, S/o. Subba Reddy,
R/o. Kondepalli Village, Markapur Mandal, Prakasam District.
16 D. Vengaiah, S/o. Nasaraiah,
R/o. Kondepalli Village, Markapur Mandal, Prakasam District.

..... PETITIONERS

AND

1 The Chief Manager, State Bank of India, Markapur, Prakasam District.
2 The Regional-in-Charge, Agriculture Insurance Company of India Ltd., Regional Office, Basheer Bagh, Hyderabad.

.....RESPONDENTS

Petition under Article 226 of the constitution of India praying that in the circumstances stated in the Affidavit filed herein the High Court may be pleased to issue a writ, order or direction more particularly one in the nature of writ of mandamus declaring the action of the respondents in deducting the premium from the crop loans towards the crop insurance to be advanced to the petitioners at the rate of 2.5% in the case of paddy and 3.5% in the case of ground nut and Bazra and 1.25% in the case of sugar cane out of the loan amount in accordance with the circular of the 2nd respondent in NAIS: NOTIF: KH 2004: 775:04 dt. 27.5.2004 as illegal, arbitrary and capricious and Violative of the Article 14 of the constitution of India and in the alternative to direct the respondents not to insist upon the payment of premium towards the crop insurance out of the loan amount to be disbursed to the petitioners and set aside the above said circular.

Counsel for the Petitioners: MR.P.GANGA RAMI REDDY

Counsel for Respondent No.1:MR M. NARENDER REDDY

Counsel for Respondent No.2: MR. DEEPAK BHATTACHARJEE

The Court made the following:

ORAL ORDER:

Aggrieved that the respondents are deducting premia from the crop loans, towards the crop insurance at the rate of 2.5% in the case of paddy, 3.5% in the case of groundnut and bazra and 1.25% in the case of sugarcane, pursuant to the 2nd respondent's circular dated 27-05-2004 and seeking a declaration that the said circular is illegal, the writ petition is filed by 16 petitioners, who are all agriculturists of Markapur Mandal, Prakasam District.

The validity of the National Agricultural Insurance Scheme has been upheld, time and again, by various Division Benches of this Court including in W.P.No.20650 of 2000 in the case of "**ANDHRA PRADESH RYTHU SANGHAM v. UNION OF INDIA, MINISTRY OF AGRICULTURE, NEW DELHI AND OTHERS**". The deduction of the premia towards the crop insurance from the crop loans advanced by the respondents is sanctified under this scheme. As the scheme has been upheld

and as there is no compulsion for the petitioners to obtain insurance, and they sought insurance benefits voluntarily, the deduction of premia is inherent and integral to such voluntary act of participating in the insurance benefits.

The challenge asserted in the writ petition is misconceived and the writ petition is accordingly dismissed. The interim order dated 02-11-2004 stands dissolved.

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17-12-2004

vs

To

1 The Chief Manager, State Bank of India, Markapur, Prakasam District.
2 The Regional-in-Charge, Agriculture Insurance Company of India Ltd., Regional Office, Basheer Bagh, Hyderabad.

3 2 CD copies.